

PVTA
Pioneer
Valley
Transit
Authority

Administrative Headquarters
Old North Main St. Firehouse
2808 Main Street
Springfield, MA 01107
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**MINUTES OF PVTA'S
FINANCE & AUDIT COMMITTEE MEETING
April 3, 2018**

1. CALL TO ORDER

The Finance and Audit Committee meeting of the Pioneer Valley Transit Authority was held on Tuesday, April 3, 2018 at 10:00 A.M. at the Pioneer Valley Transit Authority Administration Office located at 2808 Main Street in Springfield, MA.

PRESENT:

Members: Doug Slaughter, Amherst; Marilyn Ishler, South Hadley; Brian O'Leary, Belchertown; Stephen Huntley, Chicopee; David Moskin, Hadley;

NOT PRESENT:

Call to Order: Doug Slaughter, Chairman of the Finance & Audit Committee stated that the committee has a quorum and called the meeting to order at 10:08 A.M.

2. PUBLIC COMMENTS

Chairman Slaughter opened the floor for public comments. No Public Comments were made.

**3. APPROVAL OF MINUTES OF THE FINANCE & AUDIT COMMITTEE MEETING HELD
JANUARY 24, 2018**

Chairman Slaughter asked for a motion from the Finance & Audit Committee to approve the meeting minutes of January 24, 2018.

Motion: Moved and seconded (Huntley/O'Leary) to approve minutes of PVTA's Finance & Audit Committee meeting held January 24, 2018.

Chairman Slaughter asked if there was any discussion, hearing none, asked for all those in favor to say aye.

Motion passed by a unanimous vote.

4. FY 19 Preliminary Budget

Chief Financial Officer, Patricia O'Leary reported the following:

Future Items that could substantially affect this Budget are:

- Final passing of the State Budget is estimated to be done by the 2nd week of July 2018
- Final costing and approval of a paratransit contract
- Possible price lock of diesel fuel
- Possibility of solar electricity employed at Cottage Street

Revenue:

- Farebox Revenue – overall increase due to a projected 20% fare increase.
- Advertising –we are predicting an increase in FY 19 as advertising will be expanded to our paratransit fleet.
- Capital Grant Reimbursement – \$1 Million in subsidies (UMTS, CMAQ, and Five College), another \$200K from MGM to support a shuttle service that cost 174K.
- Federal Grants – Continue to max out preventive maintenance, ADA, and planning dollars.
- Local Assessments increase 2.5% per year.
- State Contract Assistance – Level funded to \$80,400,000. Same as FY 18. \$400,000 more than FY 15 level.

Expenses; SATCo/VATCo:

- Actual Labor projections were made based on the current labor contract negotiated (3.4%). An assumption was made on the new labor contract which begins July 1, 2018.
- Health Insurance increased 6% and historical costs of other category expenses were used.
- Cottage Street operating costs are projected at \$679,937 as the move will begin in January and should be operational by April 1st.

UMass:

- At the request of PVTA's Administrator and CFO, UMTS reduced its original budget request by \$500,000 and the University is now subsidizing the service by that amount, for a net increase in direct UMTS operations of 3% (minus PVTA direct costs, primarily fuel).
- SATCo purchases diesel through a competitive procurement process for all of PVTA's fixed route operations. The current budget has the diesel fuel rate at \$2.10 per gallon. Due to uncertainty with service reductions we have yet to lock in a fuel rate for FY 19. A \$0.10 cent change in diesel fuel costs PVTA approximately \$116,000 per year.
- The paratransit management service was released for competitive procurement through an RFP process in FY 18 as the current paratransit management contract expires on June 30th of this year. Four (4) proposals were received. Cost Proposals are all at a dollar value higher than in this budget. The proposals are being scored by the Selection Committee this week. It is expected the Authority will be able to negotiate a cost proposal with the highest-ranking firm. The committee charged with this contract selection is aware of this issue.

(A complete copy of PVTA's FY19 Preliminary budget has been filed with the minutes of this meeting.)

Chairman Slaughter asked for a motion from the Finance & Audit Committee to recommend approval of the FY19 Preliminary Budget to the Advisory Board.

MOTION: Moved and seconded (Huntley/O'Leary) to recommend approval of the FY19 Preliminary Budget to the Advisory Board.

Chairman Slaughter asked if there was any discussion. Hearing none; asked all those in favor to say aye.

Motion Passed unanimously.

5. FARE IMPACT STUDY UPDATE

Price Armstrong, Transit Operations Analyst, updated the Finance and Audit Committee on PVRTA's Fare Impact Study and reported the following:

The complete Fare Impact Study is included in your Finance and Audit packet.

The 2017 ridership and revenue numbers have been adjusted to estimate where ridership and revenue are expected to be on July 1, 2018. This assumes a loss of -16% in ridership compared to 2017 incorporating a ridership loss of approximately -6% due to FY18 service cuts and the elimination up to another 16% of service by July 1st.

The Fare Impact Study results show that there is not a disparate impact or disproportionate burden.

6. TITLE VI FARE EQUITY ANALYSIS FOR FY 19 FARE CHANGE PROPOSALS

Krystal Oldread, Director of Operations and Planning, reported on PVRTA's Title VI Fare Equity Analysis and stated the following:

The Title VI Fare Equity Analysis is included in your Finance & Audit packet.

Title VI of the Civil Rights Act of 1964 prohibits race and ethnicity discrimination (Disparate Impact) and low-income discrimination (Disproportionate Burden). PVRTA's Title VI Program defines any fare change as a major service change and defines the threshold for an inequitable outcome at 20%.

The Fare Equity Analysis looked at the possibility of a 20%, 25%, and a 50% fare increase as well as multi-year increase every three years with an annual escalation of 5% and 10%. The results of the Fare Equity Analysis indicated that there is not a disparate or disproportionate impact burden for any of these instances.

Chairman Slaughter asked for a motion from the Finance & Audit Committee to accept the findings of the Title VI Analysis report and recommend to the Board approving PVRTA's Title VI Fare Equity Analysis for FY19 fare change proposals.

MOTION: Moved and seconded (O'Leary/Marilyn) to accept the finding of the Title VI report and recommend to the Board approving PVRTA's Title VI Fare Equity Analysis for FY19 fare change proposals.

Chairman Slaughter asked if there was any discussion. Hearing none; asked all those in favor to say aye.

Motion Passed unanimously.

7. FARE INCREASE PROPOSAL FOR FY19 TO BE EFFECTIVE JULY 1, 2018

Krystal Oldread stated that PVRTA is recommending a 20% fare increase for FY19 rather than the 25% that was presented at public hearings.

20% Fare Increase Proposals

Fare Type	Existing	Proposed
Adult Basic Cash Fare	\$1.25	\$1.50
Adult Cash Transfer	\$0.25	\$0.25
31-Day Pass	\$45.00	\$54.00
31-Day Pass at Big Y	\$43.00	\$52.00
31-Day Reduced Fare (Seniors & Mobility Impaired) Pass	\$22.00	\$26.00
31-Day Reduced Fare (Seniors & Mobility Impaired) Pass at Big Y	\$20.00	\$24.00
7-Day Pass	\$12.50	\$15.00
1-Day Pass	\$3.00	\$3.50
Child Fare (6-12)	\$0.75	\$0.90
Child Transfer	\$0.25	\$0.25
Child age 5 and under	Free	Free
Seniors & Mobility Impaired Cash Fare	\$0.60	\$0.75
Seniors & Mobility Impaired Cash Transfer	\$0.10	\$0.10
1-ride Ticket	\$1.15	\$1.40
Paratransit Van Zone 1	\$2.50	\$3.00
Paratransit Van Zone 2	\$3.00	\$3.50
Paratransit Van Zone 3	\$3.50	\$4.00
Paratransit Van Beyond 3/4 mile	no add'l charge	\$5.00
20-pack of zone 1 ride tickets (1 free)	\$47.50	\$57.00
10-pack of \$.50 ride tickets (\$.25 off)	\$4.75	\$4.75

Chairman Slaughter stated that we have a recommendation from PVRTA for a 20% fare increase and asked for a motion from the Finance & Audit Committee to approve and adopt a 20% fare increase as outlined for both fixed route and paratransit service effective July 1, 2018.

MOTION: Moved and seconded (Huntley/O'Leary) to approve and adopt a 20% fare increase as outlined for both fixed route and paratransit service effective July 1, 2018 and recommend approval to the Advisory Board.

Chairman Slaughter asked if there was any discussion. Hearing none; asked all those in favor to say aye.

Motion Passed unanimously.

8. MULTI-YEAR FARE INCREASE PROPOSAL

Chairman Slaughter stated that we have the recommendation from PVRTA for a multi-year increase of 5% annually to be implemented every three years. If a multi-year fare increase is approved, PVRTA would still need to go out to public hearings for comments.

MOTION: Moved and seconded (Ishler/O’Leary) to approve a multi-year increase of 5% annually implemented every three years and to recommend approval to the Advisory Board.

Chairman Slaughter asked if there was any discussion. Hearing none; asked all those in favor to say aye.

Motion Passed unanimously.

9. SERVICE CHANGE PROPOSALS FOR FY19 DISCUSSION

Krystal Oldread, Director of Operations and Planning reported the following:

On January 24th the Advisory Board approved obtaining public comments on Scenario 5, which included 85 unique service changes in 39 categories to the bus route system and the paratransit van service. The modifications would impact 36 out of the 42 PVRTA fixed routes. Eighteen public outreach sessions, including nine public hearings, were held throughout PVRTA member communities. In addition to receiving comments at these events, comments were received through email, voicemail, letters and the online comment form. PVRTA received 2,935 comments on the proposed changes from 1,063 individuals. All comments have been distributed to the Advisory Board for their review.

By packaging the individual changes, applying for other sources of funding and taking a closer look at ridership at a trip by trip level, mitigation was possible. Mitigation was achieved on 31 of the 85 unique changes.

A summary of the mitigation for each theme is presented below.

Reduce Saturday service to current Sunday service: Mitigation was possible on 13 of the 28 routes impacted. The mitigation included restoring select trips during times when the service would otherwise not operate (early morning and evening), adding limited service where the route would not operate altogether, and adding trips during peak times where possible. Mitigation was achieved through savings associated with packaging the individual change and reducing trips in either the late evening or early morning on certain routes. Routes with mitigation: B7, B17, P20, R41, 30, 31, 36, 38, R42, B43, R44, X90, X92

Eliminate Sunday service on reduced service days (academic routes): Mitigation was possible on three of the five routes impacted. This was achieved by reducing the number of trips during non peak times on weekdays. Routes with mitigation: 30, 31, 33

Reduce frequency on reduced service days (academic routes): Mitigation was possible on all routes impacted. This was achieved by reducing the number of trips during non-peak times on weekdays. Routes with mitigation: 30, 31

Operate Sunday service on all holidays: Mitigation was not feasible for this service. Sunday service will be operated on Columbus Day and Veterans Day. This will impact 28 of the routes.

Reduce frequency on evening service (after 6:00PM): Mitigation was possible on one of the 8 routes impacted. This route (Route 38) received the most comments for this theme. Mitigation was achieved by reducing the number of trips during winter service on the route 38. Routes with mitigation: 38

End service earlier on reduced service days (academic routes): Mitigation was not feasible on these routes.

Restructure poor performing routes and/or segments: Mitigation was possible on 11 of the 13 routes impacted. Mitigation was achieved by restructuring the routes’ alignment or timetable, applying for CMAQ funding to

operate the route, interlining with other routes, or replacing the fixed route service with demand response or deviated fixed route. Routes with mitigation: B17, R24, 39, R44, 45, 46, X92, X98, WS, NE, PV

Charge a premium fare on van trips outside ¾-mile buffer: No mitigation was done on these services.

Eliminate Senior Van Service to Adult Day Health centers and non-PVTA towns: No mitigation was done on these services.

Cost Savings: The individual scenarios were tested as packages in the Hastus operating system by each operator to determine the overall savings. By packaging the options, efficiencies are gained which allowed for additional modifications/mitigation. The cost savings with the mitigated service modifications is \$2.99 million, a difference of \$110,000 from the original estimate of \$3.1 million. The additional \$110,000 needed is expected to be achieved through negotiations of the paratransit contract.

David Moskin: What would happen if PVTA receives additional state funding?

Sandra Sheehan: We would put back service. Page 53 in the packet shows the proposed service reductions prioritized if additional funding is received.

Chairman Slaughter asked if there was any further discussion on the proposed service changes.

10. OTHER BUSINESS

Chairman Slaughter reported that there is no other business to discuss.

11. ADJOURNMENT

The meeting of the PVTA Finance & Audit Committee adjourned (O'Leary/Huntley) at 11:27 A.M.

A TRUE RECORD

ATTEST:


BRANDY PELLETIER

Documents filed with Finance & Audit Committee Meeting packet:

- January 24, 2018 Finance & Audit Committee Meeting Minutes
- FY19 Preliminary Budget
- Fare Impact Study
- Title VI Fare Equity Analysis for FY19 Fare Change Proposals
- Fare Increase Proposal for FY19
- Multi-Year Fare Increase Proposals
- Service Change Proposals

MINUTES APPROVED: May 21, 2018